

IFQ Implementation and Cost Recovery Committee
Minutes
December 2, 2001

The committee convened at approximately 1 pm on Sunday, December 2, 2001. Chairman Jeff Stephan, Bob Alverson, John Bruce, Norman Cohen, Arne Fuglvog, Dennis Hicks, Don Iverson, Jack Knutsen, Don Lane, Kris Norosz, Paul Peyton were in attendance. Gerry Merrigan was absent. Agency staff in attendance were Jane DiCosimo (NPFMC), Phil Smith (NMFS RAM), John Lepore and Tom Pearson (NMFS SF), Jeff Passer (NMFS Enforcement), and Heather Gilroy (IPHC), LTjg Radford Dew and PO1 Michael Ebel (USCG). Six members of the public also attended.

I. IFQ Cost Recovery Program

Phil Smith, Director, NMFS RAM Division, presented a summary of the 2000 and 2001 IFQ Cost Recovery Program and the IFQ cost recovery fee for 2001. The fee for 2001 is 2% of the ex-vessel value, compared with 1.8% for 2000. The reason for the change in 2000 was due to the lower ex-vessel value for sablefish and halibut this year. The committee discussed the status of proceeding with cost recovery of the CDQ program. The committee will request Kimberly Ott of the North Pacific Loan Program to prepare a report on the loan program for committee consideration during its next meeting.

II. Enforcement Issues

NMFS agency staff reviewed four enforcement issues with the committee. The committee thanks Jeff Passer, Special Agent in Charge, NMFS Enforcement Division, Alaska Region, for his initiative to advance several issues that are relevant to the enforcement and operational aspects of the Halibut/Sablefish IFQ program [see 7/3/01 letter from Jeff Passer to David Benton, December 2001 Agenda item C-6 (a)(3)]. The Committee also thanks Heather Gilroy and the IPHC for its thoughtful response to the issues that were addressed by Jeff Passer, and recognizes Shari Gross and HANA for having developed a thorough inventory and explanation of issues that are relevant to HANA's interest with respect to the Halibut/Sablefish IFQ program. The committee also recognizes the helpful contributions and insight from U.S. Coast Guard personnel and NMFS Sustainable Fisheries Division staff.

A. Prior Notice of Landing (PNOL): The Committee recommends that the Council may wish to consider making a recommendation to NMFS that it proceed with a regulatory amendment to revise the Prior Notice of Landing requirement by IPHC area that includes analysis, consideration and possible combination of one or more of the following alternatives:

1. Eliminate the PNOL;
2. Replace the reporting of "Registered Buyers" with the reporting of "Location of Landings". NMFS Enforcement indicated that this substitution preserves relevant enforcement objectives. IPHC indicated that this substitution preserves valuable opportunities that benefit their sampling protocol. The committee generally expressed support for this option;
3. Change the PNOL requirement from 6 hours to 3 hours. The committee generally expressed support for this option;
4. Randomly apply the PNOL to buyers; that is, continue to require a PNOL but eliminate the requirement for a minimum number of hours for prior notice (i.e, the existing 6 hour, or suggested 3 hour, "wait period"), and expect NMFS to use their discretion to inspect vessels prior to product offload on a random basis. NMFS Enforcement expressed reservations about the ultimate effectiveness of this option.

B. Offload Window: The committee recommends maintaining the current offload window of 6:00 am to 6:00 pm. The committee felt that if the PNOL requirements were relaxed and slightly changed as suggested above, it would be appropriate to maintain the offload window as it currently exists. The committee expressed support for maintaining a good IPHC sampling program and a good NMFS enforcement effort. The IPHC recommended maintaining the current offload window because of the benefits that it provides for its sampling program. The IPHC indicated that an extension of the offload window would probably result in increased personnel requirements and costs if it were to attempt to maintain the existing rate of sampling coverage.

C. Vessel Clearance Requirement: The committee recommends that the Council may wish to consider making a recommendation to NMFS that it proceed with a regulatory amendment to eliminate the Vessel Clearance requirement, but still require a verbal "departure report." NMFS Enforcement staff stated that the Vessel Clearance requirement has little value to its enforcement program.

D. Shipment Report: The committee suggested eliminating the processor Shipment Report, and instead requiring that IFQ species be reported on the Product Transfer Report (PTR). NMFS Enforcement indicated that the substitution of the PTR for the processor Shipment Report does not risk the achievement of enforcement objectives.

III. Other Business

A. The committee recommends that the Council consider making a recommendation to NMFS that it incorporate the four above recommended housekeeping changes into an omnibus regulatory amendment, and that NMFS expedite the preparation and submission of such an omnibus regulatory amendment without coming back to the Council. This approach was similarly recommended to NMFS by the Council a number of years ago for these types of regulatory amendments. NMFS Enforcement staff indicated that they would informally communicate with the IPHC, the Council and the industry with respect to this omnibus regulatory amendment. NMFS Enforcement staff indicated that the four regulatory requirements that have been recommended for modification by the committee have turned out to be of limited enforcement value, and that amending any or all of these requirements may provide relief to NMFS Enforcement as well as to the fishing industry.

B. The Committee recommends that the Council ask the IFQ Implementation and Cost Recovery Committee to reconvene prior to Council final action so that it may develop comments for the Council with respect to the final review draft of the GOA Community IFQ Purchase Program analysis (GOA Plan Amendment 66). The Committee proposes to meet on the Sunday evening prior to final action now scheduled for the April Council meeting (4/7/02, 6:30 pm to 9:30 pm). In response to comments from some committee members, an attempt will be made to establish a telephone conference call connection for those committee members who are not able to travel to the meeting. Time permitting, the committee may also schedule a preliminary discussion of the North Pacific Loan Program if a summary report about this loan program is available from Ms. Kimberly Ott.

C. The Committee thanks Jane DiCosimo for providing the committee with a thorough and complete package of pertinent background information well in advance of the committee meeting, and for her invaluable contribution to and support of the committee.